

DRAFT  
**Subject to Legal Review for Clarity and Consistency**

{Date: to use same date as that for signing of the FTA }

Proposed divestment side letter for Singtel and ST Telemedia

To: Ambassador Robert Zoellick, US Trade Representative

The Singapore Government is committed to the privatization of Sing Tel and ST Telemedia and to the objective of reducing its existing stakes in these companies to zero, subject to the state of capital markets and the interests of other shareholders. The Singapore Government will thereafter only hold shares in these companies as part of its portfolio investments. For Sing Tel, the privatization process began in 1993 with the listing of Sing Tel on the Singapore Stock Exchange. Since then, the Singapore Government has progressively reduced its stake in Sing Tel and currently holds 67.56% of its shares. Sing Tel has also been listed on the Australian Stock Exchange since September 2001.

The Singapore Government will establish a plan to divest its majority share in Sing Tel and ST Telemedia. The Singapore Government understands the United States' interest in seeing such divestment completed as soon as feasible.

The Singapore Government exercises no control over the commercial policy of Sing Tel and ST Telemedia and the Singapore Government does not have veto rights over the key decisions of these companies by way of a 'golden share'. Neither Sing Tel nor ST Telemedia receives any subsidy from the Singapore Government.

Both Sing Tel and ST Telemedia are fully subject to the independent regulatory oversight and authority of the Info-communications Development Authority of Singapore (IDA), who is empowered under the Info-communications Development Authority of Singapore Act to ensure that they do not engage in anti-competitive behavior.

BG (NS) George Yong-Boon Yeo  
Minister for Trade and Industry  
Republic of Singapore